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TO RUEHC/SECSTATE WASHDC IMMEDIATE 1789
INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 5572
RUEHRL/AMEMBASSY BERLIN PRIORITY 0135
RUEHBY/AMEMBASSY CANBERRA PRIORITY 4297
RUEHLO/AMEMBASSY LONDON PRIORITY 0152
RUEHKO/AMEMBASSY TOKYO PRIORITY 7958
RUEHTRO/AMEMBASSY TRIPOLI PRIORITY 0003
RUEHGZ/AMCONSUL GUANGZHOU PRIORITY 9509
RUEHHK/AMCONSUL HONG KONG PRIORITY 6785
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0379
RUEHGH/AMCONSUL SHANGHAI PRIORITY 0330
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHMFISS/HQ BICE WASHINGTON DC PRIORITY

S E C R E T SECTION 01 OF 02 TAIPEI 002925

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STATE FOR EAP/TC AND ISN/MTR

E.O. 12958: DECL: 08/22/2026

TAGS: [MTCRE](#) [PARM](#) [TW](#) [ECCT](#)

SUBJECT: MTAG: TAIWAN EXPORT CONTROL: CASE REPORTS

REF: A. STATE 138062
[1](#)B. STATE 79175
[1](#)C. 05 TAIPEI 683
[1](#)D. TAIPEI 2701
[1](#)E. TAIPEI 2800

Classified By: AIT DDIR Robert Wang, REASONS 1.4 B/C

[1](#)1. (S) Summary: AIT delivered ref A responses on export license applications to Taiwan's Bureau of Foreign Trade (BOFT) on August 23. BOFT reported on its investigation of the Dah Lih Machinery Industry Company and the Roundtop Machineries Industries Company Ltd (ref B). AIT has forwarded the report to EAP/TC and ISN/MTR. The Taoyuan Prosecutors' Office has provided AIT with details regarding the recent trial of Taiwan proliferator Tony Hsieh (ref C). BOFT reported that the Ministry of Justice Investigation Bureau (MJIB) is willing to tap Ching Hwee Company phone conversations (ref D). End Summary.

U.S. Responses

[1](#)2. (S) AIT delivered the five responses contained in ref A to BOFT Export Control Task Force Head Wally Su and discussed the comments provided on each case. Su was pleased we provided a response for case WA060626111548007 even after 25 days and said a U.S. response was needed for BOFT to close the case. Su said he would consult with the exporter regarding the options for handling case WA060719095717005. He said there have been other cases denied an export license because of the Siemens controller used on the Taiwan machine tool, and some exporters had questioned why sophisticated Siemens controllers could be exported from Germany to Iran, but not from Taiwan to Iran.

Investigation Results

[1](#)3. (S) In a letter dated August 16, BOFT provided the results of its investigation into exports to Iran by the Dah Lih Machinery Industry Company and the Roundtop Machineries Industries Company Ltd as requested ref B. AIT has sent an informal translation of the letter and accompanying documents

via email to EAP/TC and ISN/MTR. The investigation found 22 exports of machine tools from Roundtop to Iran, but none from Dah Lih. The report notes that the exports were not SHTC and at the time of the exports there was no derogatory information on the Iranian importer. The report concludes that no violation of Taiwan's export control regulations occurred.

Successful Prosecution of Proliferator

14. (S) In early August, the Taoyuan District Court sentenced Taiwan businessman Tony Hsieh (Jin-yieh) to a six-month jail term and three-year probation for violation of Article 27 of the Taiwan Trade Act which deals with smuggling. Hsieh was arrested in February 2005 after AIT urged Taiwan authorities take legal action against Hsieh for his 1999 attempt to smuggle Scud B missile parts to Libya. BOFT's Su noted that according to his colleagues in Libya (presumably Taiwan trade officials), Hsieh was a well-known Taiwan businessman in the Middle East who had made his fortune in textiles, then added to his fortune by shipping arms hidden among the textiles. Su said there was a rumor that Hsieh had brokered arms deals for Taiwan's Ministry of National Defense.

MJIB Willing to Monitor Phone Conversations

15. (S) As reported ref C, BOFT suspects Ching Hwee is deliberately circumventing export control restrictions on trade with North Korea through the use of intermediary companies and territories, but has not been able to collect

TAIPEI 00002925 002 OF 002

the evidence that would be necessary for prosecution. AIT has urged BOFT to examine Ching Hwee's financial and communications records to explore possible ties with North Korean-linked companies or bank accounts. Recently, BOFT told AIT that the MJIB has expressed a willingness to monitor Ching Hwee phone conversations in order to collect evidence that it knows its exports are going to North Korea.

YOUNG